

**PHA Name : Fayetteville**

**PHA Code : AR097**

**MTW Supplement for PHA Fiscal Year Beginning : (MM/DD/YYYY): 10/1/2022**

**PHA Program Type: Combined**

**MTW Cohort Number: MTW Flexibility for Smaller PHAs**

**MTW Supplement Submission Type: Annual Submission**

**DRAFT**

## **B. MTW Supplement Narrative.**

Fayetteville Housing Authority (FHA) has been housing low-income households in NW Arkansas for nearly 50 years. In May, 2019, the Board of Commissioners adopted a new mission statement: "The Fayetteville Housing Authority provides safe, quality, affordable housing as a basic human right to build community resilience, improve intergenerational public health outcomes, and increase equitable opportunities." The board also gave the staff the directive to take a bold, client-centric leadership approach to affordable housing in our region. To do this, the agency has been pursuing every operational efficiency identified in an October 2018 Organizational Audit including online applications, computerized work orders, upgraded equipment, and improved internal processes. Over the last two years, the agency has implemented homeless preference for waitlists, applied for and received new funding for housing assistance, and added a supportive housing services department to connect residents to mainstream resources. Using its non-profit related entity, the agency has added new units of existing stock to be renovated, is in process of embarking on a new construction project to add 97 units to a downtown property, and has plans to re-develop all existing public housing by adding mixed-income market units to the portfolio. Additionally, during this time, the organization has had a complete turnover of staff with only two of its 25 employees pre-dating the current Executive Director.

MTW will allow FHA to build on the momentum that the agency has built over this two-year period. In the area of cost effectiveness, FHA will use the Kaizen approach that is successful in manufacturing and will look at each step in the process of housing clients and work to improve the process for staff, residents, and landlords. Immediate examples include simplifying utility allowances, biennial recertifications for fixed income households, and biennial inspections for high performing landlords. FHA has diverse funding streams with different administrative plans for the voucher programs and housing options. By merging these documents into one overarching policy and procedure document, using Housing Choice Vouchers as the base model, the organization will achieve efficiency in policy implementation and compliance. Immediately, in self-sufficiency, FHA will continue the strength of community partnerships to ensure residents will be connected to mainstream resources. Additionally, FHA will implement a program to allow rent reporting for credit building purposes. For increasing housing choice, FHA has already begun to address this by using Small Area Fair Market Rent (SAFMR) for the first time. After community engagement and additional planning, FHA will further expand objectives for increasing housing choice.

FHA believes that MTW is a natural extension to the work already begun and look forward to testing processes to best serve our community.

**C. The policies that the MTW agency is using or has used (currently implement, plan to implement in the submission year, plan to discontinue, previously discontinued).**

<b>1. Tenant Rent Policies</b>	
a. Tiered Rent (PH)	Not Currently Implemented
b. Tiered Rent (HCV)	Not Currently Implemented
c. Stepped Rent (PH)	Not Currently Implemented
d. Stepped Rent (HCV)	Not Currently Implemented
e. Minimum Rent (PH)	Not Currently Implemented
f. Minimum Rent (HCV)	Not Currently Implemented
g. Total Tenant Payment as a Percentage of Gross Income (PH)	Not Currently Implemented
h. Total Tenant Payment as a Percentage of Gross Income (HCV)	Not Currently Implemented
i. Alternative Utility Allowance (PH)	Plan to Implement in the Submission Year
j. Alternative Utility Allowance (HCV)	Plan to Implement in the Submission Year
k. Fixed Rents (PH)	Not Currently Implemented
l. Fixed Subsidy (HCV)	Not Currently Implemented
m. Utility Reimbursements (PH)	Not Currently Implemented
n. Utility Reimbursements (HCV)	Not Currently Implemented
o. Initial Rent Burden (HCV)	Not Currently Implemented
p. Imputed Income (PH)	Plan to Implement in the Submission Year
q. Imputed Income (HCV)	Plan to Implement in the Submission Year
r. Elimination of Deduction(s) (PH)	Not Currently Implemented
s. Elimination of Deduction(s) (HCV)	Not Currently Implemented
t. Standard Deductions (PH)	Plan to Implement in the Submission Year
u. Standard Deductions (HCV)	Plan to Implement in the Submission Year
v. Alternative Income Inclusions/Exclusions (PH)	Not Currently Implemented
w. Alternative Income Inclusions/Exclusions (HCV)	Not Currently Implemented
<b>2. Payment Standards and Rent Reasonableness</b>	
a. Payment Standards- Small Area Fair Market Rents (HCV)	Not Currently Implemented
b. Payment Standards- Fair Market Rents (HCV)	Plan to Implement in the Submission Year
c. Rent Reasonableness – Process (HCV)	Not Currently Implemented
d. Rent Reasonableness – Third-Party Requirement (HCV)	Not Currently Implemented
<b>3. Reexaminations</b>	
a. Alternative Reexamination Schedule for Households (PH)	Plan to Implement in the Submission Year
b. Alternative Reexamination Schedule for Households (HCV)	Plan to Implement in the Submission Year
c. Self-Certification of Assets (PH)	Plan to Implement in the Submission Year
d. Self-Certification of Assets (HCV)	Plan to Implement in the Submission Year
<b>4. Landlord Leasing Incentives</b>	
a. Vacancy Loss (HCV-Tenant-based Assistance)	Not Currently Implemented
b. Damage Claims (HCV-Tenant-based Assistance)	Not Currently Implemented
c. Other Landlord Incentives (HCV- Tenant-based Assistance)	Plan to Implement in the Submission Year
<b>5. Housing Quality Standards (HQS)</b>	
a. Pre-Qualifying Unit Inspections (HCV)	Not Currently Implemented
b. Reasonable Penalty Payments for Landlords (HCV)	Not Currently Implemented
c. Third-Party Requirement (HCV)	Not Currently Implemented
d. Alternative Inspection Schedule (HCV)	Not Currently Implemented
<b>6. Short-Term Assistance</b>	
a. Short-Term Assistance (PH)	Not Currently Implemented
b. Short-Term Assistance (HCV)	Not Currently Implemented
<b>7. Term-Limited Assistance</b>	
a. Term-Limited Assistance (PH)	Not Currently Implemented
b. Term-Limited Assistance (HCV)	Not Currently Implemented
<b>8. Increase Elderly Age (PH &amp; HCV)</b>	

Increase Elderly Age (PH & HCV)	Not Currently Implemented
<b>9. Project-Based Voucher Program Flexibilities</b>	
a. Increase PBV Program Cap (HCV)	Not Currently Implemented
b. Increase PBV Project Cap (HCV)	Not Currently Implemented
c. Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement (HCV)	Not Currently Implemented
d. Alternative PBV Selection Process (HCV)	Not Currently Implemented
e. Alternative PBV Unit Types (Shared Housing and Manufactured Housing) (HCV)	Not Currently Implemented
f. Increase PBV HAP Contract Length (HCV)	Not Currently Implemented
g. Increase PBV Rent to Owner (HCV)	Not Currently Implemented
h. Limit Portability for PBV Units (HCV)	Not Currently Implemented
<b>10. Family Self-Sufficiency Program with MTW Flexibility</b>	
a.PH Waive Operating a Required FSS Program (PH)	Not Currently Implemented
a.HCV Waive Operating a Required FSS Program (HCV)	Not Currently Implemented
b.PH Alternative Structure for Establishing Program Coordinating Committee (PH)	Not Currently Implemented
b. HCV Alternative Structure for Establishing Program Coordinating Committee (HCV)	Not Currently Implemented
c.PH Alternative Family Selection Procedures (PH)	Not Currently Implemented
c.HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
d.PH Modify or Eliminate the Contract of Participation (PH)	Not Currently Implemented
d.HCV Modify or Eliminate the Contract of Participation (HCV)	Not Currently Implemented
e.PH Policies for Addressing Increases in Family Income (PH)	Not Currently Implemented
e.HCV Policies for Addressing Increases in Family Income (HCV)	Not Currently Implemented
<b>11. MTW Self-Sufficiency Program</b>	
a.PH Alternative Family Selection Procedures (PH)	Not Currently Implemented
a.HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
b.PH Policies for Addressing Increases in Family Income (PH)	Not Currently Implemented
b.HCV Policies for Addressing Increases in Family Income (HCV)	Not Currently Implemented
<b>12. Work Requirement</b>	
a. Work Requirement (PH)	Plan to Implement in the Submission Year
b. Work Requirement (HCV)	Plan to Implement in the Submission Year
<b>13. Use of Public Housing as an Incentive for Economic Progress (PH)</b>	
Use of Public Housing as an Incentive for Economic Progress (PH)	Not Currently Implemented
<b>14. Moving on Policy</b>	
a. Waive Initial HQS Inspection Requirement (HCV)	Not Currently Implemented
b.PH Allow Income Calculations from Partner Agencies (PH)	Not Currently Implemented
b.HCV Allow Income Calculations from Partner Agencies (HCV)	Not Currently Implemented
c.PH Aligning Tenant Rents and Utility Payments Between Partner Agencies (PH)	Not Currently Implemented
c.HCV Aligning Tenant Rents and Utility Payments Between Partner Agencies (HCV)	Not Currently Implemented
<b>15. Acquisition without Prior HUD Approval (PH)</b>	
Acquisition without Prior HUD Approval (PH)	Not Currently Implemented
<b>16. Deconcentration of Poverty in Public Housing Policy (PH)</b>	
Deconcentration of Poverty in Public Housing Policy (PH)	Not Currently Implemented
<b>17. Local, Non-Traditional Activities</b>	
a. Rental Subsidy Programs	Not Currently Implemented
b. Service Provision	Not Currently Implemented

**C. MTW Activities Plan that Fayetteville Plans to Implement in the Submission Year or Is Currently Implementing****1.i. - Alternative Utility Allowance (PH)**

The FHA will establish a flat utility allowance for PH units based on unit size, the property location and the average types of utilities paid by participants in the jurisdiction. If the family is paying any electric or gas utility, they will be eligible for the flat utility allowance. The FHA will continue to review the utility allowances each year and revise its allowance for a utility category if there has been a change of 10 percent or more of the cost from the prior year. The FHA will not include items in the utility schedule that are excluded under HUD regulations. The FHA will implement this within the safe harbor limits established in the MTW expansion notice.

This MTW activity serves the following statutory objectives:  
 Cost effectiveness  
 Self-sufficiency

This MTW activity serves the following statutory objectives:  
 Decreased expenditures

An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households

No hardship were requested in the most recent fiscal year.

In the prior year, under this activity, Fayetteville MTW agency  
 Received 0 hardship requests  
 Approved hardship requests  
 Denied hardship requests  
 There is\are hardship requests pending.

The FHA will create a flat utility allowance amount based on average costs, unit size, the property location and the types of utilities paid by participants in public housing. The flat utility amount will be adjusted annually based on average increase in gas and electric rates.

**1.j. - Alternative Utility Allowance (HCV)**

The FHA will establish a flat utility allowance for HCV units based on unit size, the property location and the average types of utilities paid by participants in the jurisdiction. If the family is paying any electric or gas utility, they will be eligible for the flat utility allowance. The FHA will continue to review the utility allowances each year and revise its allowance for a utility category if there has been a change of 10 percent or more of the cost from the prior year. The FHA will not include items in the utility schedule that are excluded under HUD regulations. The FHA will implement this within the safe harbor limits established in the MTW expansion notice.

This MTW activity serves the following statutory objectives:  
 Cost effectiveness  
 Self-sufficiency

An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households

No hardship were requested in the most recent fiscal year.

In the prior year, under this activity, Fayetteville MTW agency  
 Received 0 hardship requests  
 Approved hardship requests  
 Denied hardship requests  
 There is\are hardship requests pending.

The FHA will create a flat utility allowance amount based on average utility allowances currently allocated by bedroom size. The flat amount will increase each year based on average percentage of increase for gas and/or electric costs in the jurisdiction.

**1.p. - Imputed Income (PH)**

The FHA is implementing a work requirement for non-elderly, non-disabled families. The work requirement will apply one year after admission or one year after implementation of MTW activity. If the household has not met the work requirement and has income below \$17,160, the household income will be imputed to \$17,160 (\$11 AR minimum wage x 30 hours x 52

weeks). The FHA will implement this waiver within the safe harbor guidance as established in the MTW Expansion Notice dated August, 28, 2020.
This MTW activity serves the following statutory objectives: Cost effectiveness Self-sufficiency
This MTW activity serves the following statutory objectives: Decreased expenditures
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies only to a subset or subsets of assisted households
This MTW activity applies to: Currently assisted households only
An MTW activity may apply to all family types or to selected family types (i.e., non-elderly/non-disabled, elderly, disabled, other). The MTW activity applies only to selected family types
This MTW activity requires a Hardship Policy. The Hardship Policy is attached.
Attached Hardship policy applies to: }
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Fayetteville MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
This MTW activity requires an Impact Analysis. The Impact Analysis is attached.
The Impact Analysis that applies to this MTW activity also applies to the following MTW activities: the imputed income policy assumes a30 number of hours worked Per household Assumed wage rate is 11 42 households are currently subject to this policy

<b>1.q. - Imputed Income (HCV)</b>
The FHA is implementing a work requirement for non-elderly, non-disabled families. The work requirement will apply one year after admission or one year after implementation of MTW activity. If the household has not met the work requirement and has income below \$17,160, the household income will be imputed to \$17,160 (\$11 AR minimum wage x 30 hours x 52 weeks). The FHA will implement this waiver within the safe harbor guidance as established in the MTW Expansion Notice dated August, 28, 2020.
This MTW activity serves the following statutory objectives: Cost effectiveness Self-sufficiency
This MTW activity serves the following statutory objectives: Decreased expenditures
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies only to a subset or subsets of assisted households
This MTW activity applies to: Currently assisted households only
An MTW activity may apply to all family types or to selected family types (i.e., non-elderly/non-disabled, elderly, disabled, other). The MTW activity applies only to selected family types
The MTW activity applies to all tenant-based units
This MTW activity requires a Hardship Policy. The Hardship Policy is attached.
Attached Hardship policy applies to: }
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Fayetteville MTW agency Received 0 hardship requests Approved hardship requests

Denied hardship requests There is\are hardship requests pending.
This MTW activity requires an Impact Analysis. The Impact Analysis is attached.
The Impact Analysis that applies to this MTW activity also applies to the following MTW activities:
the imputed income policy assumes a 30 number of hours worked Per household
Assumed wage rate is 11
101 households are currently subject to this policy

<b>1.t. - Standard Deductions (PH)</b>
The FHA will replace existing deductions with standard deductions for all families. The standard deduction for elderly, disabled and families with one or more dependents will be \$700. The FHA will implement this waiver within the safe harbor guidance as established in the MTW Expansion Notice dated August 28, 2020.
This MTW activity serves the following statutory objectives: Cost effectiveness Self-sufficiency
This MTW activity serves the following statutory objectives: Increased expenditures
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households
This MTW activity requires a Hardship Policy. The Hardship Policy is attached.
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Fayetteville MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
This MTW activity requires an Impact Analysis. The Impact Analysis is attached.
The Impact Analysis that applies to this MTW activity also applies to the following MTW activities:
700 will be the single standard deduction in the Fiscal Year

<b>1.u. - Standard Deductions (HCV)</b>
The FHA will replace existing deductions with standard deductions for all families. The standard deduction for elderly, disabled and families with one or more dependents will be \$700. The FHA will implement this waiver within the safe harbor guidance as established in the MTW Expansion Notice dated August 28, 2020.
This MTW activity serves the following statutory objectives: Cost effectiveness Self-sufficiency
This MTW activity serves the following statutory objectives: Increased expenditures Decreased expenditures
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households
This MTW activity requires a Hardship Policy. The Hardship Policy is attached.
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Fayetteville MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
This MTW activity requires an Impact Analysis. The Impact Analysis is attached.
700 will be the single standard deduction in the Fiscal Year

<b>2.b. - Payment Standards- Fair Market Rents (HCV)</b>
The FHA will establish payment standards based upon Fair Market Rents (FMR) up to 120% of the HUD published FMR. The initial Payment Standards will be set at 115% of the FMR. The FHA will implement this waiver within the safe harbor guidance as established in the MTW Expansion Notice dated August/28/2020.
This MTW activity serves the following statutory objectives: Housing choice
This MTW activity serves the following statutory objectives: Increased expenditures
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Fayetteville MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
This MTW activity requires an Impact Analysis. The Impact Analysis is attached.
Following will explain the payment standards by FMR: The payment standards will be initially set at 115% of the FMR but as market fluctuates and FMR's change, may go up to 120% of FMR.

<b>3.a. - Alternative Reexamination Schedule for Households (PH)</b>
The PHA will establish a biennial recertifications for non-elderly/non-disabled families and a triennial recertification schedule for elderly/disabled families. If a non-elderly/non-disabled household is receiving zero income, they will remain on an annual recertification schedule. The FHA will be implementing this waiver within the safe harbor limits established by the MTW Operations Notice but will include an agency specific waiver for the elimination of Earned Income Disallowances (EID).
This MTW activity serves the following statutory objectives: Cost effectiveness Self-sufficiency
This MTW activity serves the following statutory objectives: Neutral (no cost implications)
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households
This MTW activity requires a Hardship Policy. The Hardship Policy is attached.
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Fayetteville MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
This MTW activity requires an Impact Analysis. The Impact Analysis is attached.
Recertification Schedule is Other Once every two years for non-elderly, non-disabled families. Triennially for elderly and disabled families. If household income is zero, they will be recertified annually until income is received.
Household may request 1 interim recertifications per year.
If there is a change of family composition, the family may report the change through an interim request or wait to report the change at the next regularly scheduled recertification. The family must request a hardship if an interim was already processed within the calendar year.

<b>3.b. - Alternative Reexamination Schedule for Households (HCV)</b>



The PHA will establish a biennial recertifications for non-elderly/non-disabled families and a triennial recertification schedule for elderly/disabled families. If a non-elderly/non-disabled household is receiving zero income, they will remain on an annual recertification schedule. The FHA will be implementing this waiver within the safe harbor limits established by the MTW Operations Notice but will include an agency specific waiver for the elimination of Earned Income Disallowances (EID).
This MTW activity serves the following statutory objectives: Cost effectiveness Self-sufficiency
This MTW activity serves the following statutory objectives: Decreased expenditures
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households
This MTW activity requires a Hardship Policy. The Hardship Policy is attached.
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Fayetteville MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
This MTW activity requires an Impact Analysis. The Impact Analysis is attached.
Recertification Schedule is Other Once every two years for non-elderly, non-disabled families. Triennially for elderly and disabled families. If household income is zero, the family will be recertified annually until income is received.
Household may request 1 interim recertifications per year.
If there is a change of family composition, the family may report the change through an interim request or wait to report the change at the next regularly scheduled recertification. The family must request a hardship if an interim was already processed within the calendar year.

<b>3.c. - Self-Certification of Assets (PH)</b>
At the recertification, the PHA will allow the self-certification of assets up to \$50,000. Assets will continue to be verified at the time of eligibility determination. FHA will be implementing this activity within the safe harbor guidance included in the MTW Expansion Notice date August 28, 2020.
This MTW activity serves the following statutory objectives: Self-sufficiency
This MTW activity serves the following statutory objectives: Neutral (no cost implications)
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Fayetteville MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
The dollar threshold for the self-certification of assets is \$50,000.

<b>3.d. - Self-Certification of Assets (HCV)</b>
At the recertification, the FHA will allow the self-certification of assets up to \$50,000. Assets will continue to be verified at the time of eligibility determination. FHA will be implementing this activity within the safe harbor limits included in the MTW Expansion Notice date August 28, 2020.
This MTW activity serves the following statutory objectives: Self-sufficiency
This MTW activity serves the following statutory objectives: Neutral (no cost implications)

An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Fayetteville MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
The dollar threshold for the self-certification of assets is \$50,000.

**4.c. - Other Landlord Incentives (HCV- Tenant-based Assistance)**

To incentivize new landlords to join the HCV program, the FHA will provide incentive payments in the form of a signing bonus. The FHA will provide a signing bonus of \$500 to any new owner who had no units leased in the program within a three-year period and who executes a new HAP contract with a voucher holder. FHA will be implementing this activity within the safe harbor limits established by the MTW Operations Notice.
This MTW activity serves the following statutory objectives: Housing choice
This MTW activity serves the following statutory objectives: Increased expenditures
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies to all assisted households
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Fayetteville MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
This policy applies to Certain types of units only (Display selected and additional Pop up is complex logic.)
The types of units policy applies to: Units/landlords new to the HCV program
Maximum payment to the landlord is \$500.00.
0 payments were issued under this policy y in the most recently completed PHA fiscal year.
\$0 issued under this policy in the most recently completed PHA fiscal year.

**12.a. - Work Requirement (PH)**

The FHA will implement a work requirement for HCV residents who are at least 18 years old and who are non-elderly and non-disabled. The work requirement policy applies to all eligible households and the requirement is that the household have at least 30 hours of earned income from work for at least 30 hours per week.
Those individuals exempt from the Community Service Requirement in accordance with Section 12(c)(2)(A), (B), (D) and (E) of the 1937 Act will be exempt from the agency's work requirement in both the public housing and HCV programs. Also, individuals who are the primary caretaker for a child under 6 years of age or who are pregnant will be exempt from the agency's work requirement. Supportive services shall be provided, either through the agency or a partner organization, to assist families in obtaining employment or an acceptable substitute, as defined by the MTW agency's policy .
All families will be given a one-year notice of the work requirement prior to any sanction for non-compliance. If after one year of implementation the household income is less than \$17,160 per year (\$11 minimum wage x 30 hours x 52), a minimum annual income of \$17,160 will be imputed/attribution to the household in accordance with Waiver 1.p and 1.q - Imputed Income . The family will be required to pay rent based on the imputed/attribution income they would have received if the household had complied with the work requirement. This activity will be implemented within the safe harbor limits established in the MTW Expansion Notice issued August 28, 2020.
This MTW activity serves the following statutory objectives: Cost effectiveness Self-sufficiency
This MTW activity serves the following statutory objectives:

Decreased expenditures
An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies only to a subset or subsets of assisted households
This MTW activity applies to: Currently assisted households only
An MTW activity may apply to all family types or to selected family types (i.e., non-elderly\non-disabled, elderly, disabled, other). The MTW activity applies only to selected family types
This MTW activity requires a Hardship Policy. The Hardship Policy is attached.
Attached Hardship policy applies to: }
No hardship were requested in the most recent fiscal year.
In the prior year, under this activity, Fayetteville MTW agency Received 0 hardship requests Approved hardship requests Denied hardship requests There is\are hardship requests pending.
This MTW activity requires an Impact Analysis. The Impact Analysis is attached.
The following counts as work under this activity: Working 30 hours per week at Arkansas state minimum wage of \$11.00 per hour; Household income of at least \$17,160; enrolled in a job training program or school for at least 30 hours per week.
The following is how will the MTW agency monitor compliance: Households subject to the work requirement will be given one year to comply with the requirement from the date of admission or from the date the activity is implemented. The FHA will monitor for compliance at the biennial recertification.
The following supportive services are offered to support households: The FHA has several collaborative initiatives within Northwest Arkansas focused on improving homelessness and providing job training services. FHA actively participates in the Built for Zero initiative with the NWA CoC, 7hills Homeless Center, Veterans Administration (VA), Supportive Services for Veteran Families (SSVF), and Salvation Army to achieve functional zero homelessness in our community. FHA has memoranda of understanding with Ozark Guidance Center (OGC) and Sources for Community Living for services that FHA does not have the capacity to meet. OGC is a private, nonprofit community mental health center, certified as a behavior health agency and substance abuse treatment provider. Sources for Community Living provides services, support, and advocacy for individuals with disabilities. FHA partners with Elite Home Health to provide home health aides and Pace of the Ozarks to provide wrap around services including but not limited to, transportation, medical services, social interactions, medication management, etc. FHA has partnered with Credit Counseling of Arkansas (CCOA) which provides free financial education and Northwest Arkansas Economic Development District (NWAEDD) which provides employment and training services. FHA works with Potter's House and other Faith-Based organizations to help fill the gap of basic needs and building rich relationships. The Department of Human Services and more recently Teen Action Support Center are partnerships that offer programs to help children, adolescent and youth, and families thrive. The University of Arkansas, School of Social Work has been a very valuable partnership. Each semester FHA welcomes Social Work Interns that assist our staff social worker and resident engagement coordinator. The interns have facilitated agency assessments such as "Home Health Aide Needs Assessment" and "FHA Needs Assessment" which assesses vulnerable populations within our community as a means to reduce food insecurity. FHA believes that once these basic needs are met, the family can maintain stable employment.
The following is how the agency address noncompliance with the work requirement policy: If the family has not complied with the work requirements and does not qualify for a hardship, a minimum income of \$17,160 will be imputed to the household income in accordance with waiver 1.p and 1.q Imputed Income.
42 households are currently subject to the policy.
0 households were sanctioned for non-compliance with the work requirement in the most recently completed PHA fiscal year.

<b>12.b. - Work Requirement (HCV)</b>
The FHA will implement a work requirement for HCV residents who are at least 18 years old and who are non-elderly and non-disabled. The work requirement policy applies to all eligible households and the requirement is that the household have at least 30 hours of earned income from work for at least 30 hours per week.
Those individuals exempt from the Community Service Requirement in accordance with Section 12(c)(2)(A), (B), (D) and (E) of the 1937 Act will be exempt from the agency's work requirement in both the public housing and HCV programs.

Also, individuals who are the primary caretaker for a child under 6 years of age or who are pregnant will be exempt from the agency's work requirement. Supportive services shall be provided, either through the agency or a partner organization, to assist families in obtaining employment or an acceptable substitute, as defined by the MTW agency's policy .

All families will be given a one-year notice of the work requirement prior to any sanction for non-compliance. If after one year of implementation the household income is less than \$17,160 per year (\$11 minimum wage x 30 hours x 52), a minimum annual income of \$17,160 will be imputed/attributed to the household. The family will be required to pay rent based on the imputed/attributed income they would receive if the household had complied with the work requirement. This activity will be implemented within all safe harbor limits.

This MTW activity serves the following statutory objectives:  
Cost effectiveness  
Self-sufficiency

This MTW activity serves the following statutory objectives:  
Decreased expenditures

An MTW activity may apply to new admissions only, to currently assisted households only, or to both new admissions and currently assisted households. The MTW activity applies only to a subset or subsets of assisted households

This MTW activity applies to:  
Currently assisted households only

An MTW activity may apply to all family types or to selected family types (i.e., non-elderly/non-disabled, elderly, disabled, other).  
The MTW activity applies only to selected family types

The MTW activity applies to all tenant-based units

This MTW activity requires a Hardship Policy. The Hardship Policy is attached.

Attached Hardship policy applies to: }

No hardship were requested in the most recent fiscal year.

In the prior year, under this activity, Fayetteville MTW agency  
Received 0 hardship requests  
Approved hardship requests  
Denied hardship requests  
There is\are hardship requests pending.

This MTW activity requires an Impact Analysis. The Impact Analysis is attached.

The Impact Analysis that applies to this MTW activity also applies to the following MTW activities:

The following counts as work under this activity: Working at least 30 hours per week at Arkansas state minimum wage of \$11.00 per hour; Household income of at least \$17,160; enrolled in a job training program or school for at least 30 hours per week.

The following is how will the MTW agency monitor compliance: Households subject to the work requirement will be given one year to comply with the requirement from the date of admission or from the date the activity is implemented by FHA. The FHA will monitor for compliance at the biennial recertification.

The following supportive services are offered to support households: The FHA has several collaborative initiatives within Northwest Arkansas focused on improving homelessness and providing job training services. FHA actively participates in the Built for Zero initiative with the NWA CoC, 7hills Homeless Center, Veterans Administration (VA), Supportive Services for Veteran Families (SSVF), and Salvation Army to achieve functional zero homelessness in our community. FHA has memoranda of understanding with Ozark Guidance Center (OGC) and Sources for Community Living for services that FHA does not have the capacity to meet. OGC is a private, nonprofit community mental health center, certified as a behavior health agency and substance abuse treatment provider. Sources for Community Living provides services, support, and advocacy for individuals with disabilities. FHA partners with Elite Home Health to provide home health aides and Pace of the Ozarks to provide wrap around services including but not limited to, transportation, medical services, social interactions, medication management, etc. FHA has partnered with Credit Counseling of Arkansas (CCOA) which provides free financial education and Northwest Arkansas Economic Development District (NWAEDD) which provides employment and training services. FHA works with Potter's House and other Faith-Based organizations to help fill the gap of basic needs and building rich relationships. The Department of Human Services and more recently Teen Action Support Center are partnerships that offer programs to help children, adolescent and youth, and families thrive. The University of Arkansas, School of Social Work has been a very valuable partnership. Each semester FHA welcomes Social Work Interns that assist our staff social worker and resident engagement coordinator. The interns have facilitated agency assessments such as "Home Health Aide Needs Assessment" and "FHA Needs Assessment" which assesses vulnerable populations within our community as a means to reduce food insecurity. FHA believes that once these basic needs are met, the family can maintain stable employment.

The following is how the agency address noncompliance with the work requirement policy: If the family has not complied with the work requirements and does not qualify for a hardship, a minimum income of \$17, 160 will be imputed to the household income in accordance with waiver 1.p and 1.q-Imputed Income.

101 households are currently subject to the policy.

0 households were sanctioned for non-compliance with the work requirement in the most recently completed PHA fiscal year.

<b>D.</b>	<b>Safe Harbor Waivers.</b>
<b>D.1</b>	<b>Safe Harbor Waivers seeking HUD Approval:</b> No Safe Harbor Waivers are being requested.

<b>E.</b>	<b>Agency-Specific Waiver(s).</b>
<b>E.1</b>	<b>Agency-Specific Waiver(s) for HUD Approval:</b>  The MTW demonstration program is intended to foster innovation and HUD encourages MTW agencies, in consultation with their residents and stakeholders, to be creative in their approach to solving affordable housing issues facing their local communities. For this reason, Agency-Specific Waivers may be requested.  Please see attached for Agency-Specific Waiver(s) requested this year.
<b>E.2</b>	<b>Agency-Specific Waiver(s) for which HUD Approval has been Received:</b> MTW Agency does not have approved Agency-Specific Waivers

<b>F.</b>	<b>Public Housing Operating Subsidy Grant Reporting.</b>
<b>F.1</b>	Total Public Housing Operating subsidy amount authorized, disbursed by 9/30, remaining, and deadline for disbursement, by Federal Fiscal Year for each year the PHA is designated an MTW agency.

<b>Federal Fiscal Year (FFY)</b>	<b>Total Operating Subsidy Authorized Amount</b>	<b>How Much PHA Disbursed by the 9/30 Reporting Period</b>	<b>Remaining Not Yet Disbursed</b>	<b>Deadline</b>
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<b>G.</b>	<b>MTW Statutory Requirements.</b>	
<b>G.1</b>	<b>75% Very Low Income – Local, Non-Traditional.</b> HUD will verify compliance with the statutory requirement that at least 75% of the households assisted by the MTW agency are very low-income for MTW public housing units and MTW HCVs through HUD systems. The MTW PHA must provide data for the actual families housed upon admission during the PHA's most recently completed Fiscal Year for its Local, Non-Traditional program households.	
	<b>Income Level</b>	<b>Number of Local, Non-Traditional Households Admitted in the Fiscal Year*</b>
	80%-50% Area Median Income	7
	49%-30% Area Median Income	81
	Below 30% Area Median Income	646
	<b>Total Local, Non-Traditional Households</b>	<b>734</b>

\*Local, non-traditional income data must be provided in the MTW Supplement form until such time that it can be submitted in IMS-PIC or other HUD system.

<b>G.2</b>	<b>Establishing Reasonable Rent Policy.</b>
MTW agency established a rent reform policy to encourage employment and self-sufficiency	

<b>G.3</b>	<b>Substantially the Same (STS) – Local, Non-Traditional.</b>
The total number of unit months that families were housed in a local, non-traditional rental subsidy for the prior full calendar year.	6,815 # of unit months
The total number of unit months that families were housed in a local, non-traditional housing development program for the prior full calendar year.	1,957 # of unit months

**Number of units developed under the local, non-traditional housing development activity that were available for occupancy during the prior full calendar year:**

PROPERTY NAME/ ADDRESS	0/1 BR	2 BR	3 BR	4 BR	5 BR	6+ BR	TOTAL UNITS	POPULATION TYPE*	if 'Population Type' is Other	# of Section 504 Accessible (Mobility)**	# of Section 504 Accessible (Hearing/ Vision)	Was this Property Made Available for Initial Occupancy during the Prior Full Calendar Year?	What was the Total Amount of MTW Funds Invested into the Property?
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<b>G.4</b>	<b>Comparable Mix (by Family Size) – Local, Non-Traditional.</b>
To demonstrate compliance with the statutory requirement to continue serving a 'comparable mix' of families by family size to that which would have been served without MTW, the MTW agency will provide the number of families occupying local, non-traditional units by household size for the most recently completed Fiscal Year in the provided table.	

<b>Family Size:</b>	<b>Occupied Number of Local, Non-Traditional units by Household Size</b>
1 Person	536
2 Person	78
3 Person	60
4 Person	29
5 Person	20
6+ Person	11
<b>Totals</b>	<b>734</b>

<b>H.</b>	<b>Public Comment</b>
	Attached you will find a copy of all of the comments received and a description of how the agency analyzed the comments, as well as any decisions made based on those comments.
	No additional public hearing was held for an Agency-Specific Waiver and/or Safe Harbor waiver

<b>I.</b>	<b>Evaluations.</b>
	No known evaluations.



**Fayetteville Housing Authority AR181 and AR097  
Hardship Policy - Activity 12.a and 12.b Work Requirements**

The family may request a hardship if they have been actively trying to comply with the agency's work requirement but are having difficulties obtaining work or an acceptable substitute.

The family will be eligible for a hardship exemption if:

1. The family provides evidence of job search or letter from supportive service provider confirming difficulty obtaining work; or
2. The family has experienced a change in circumstances including loss or reduction of employment, death in the family or reduction in or loss of earnings or other assistance outside of their control; or
3. The family has experienced difficulty obtaining or maintaining employment, because of changed circumstances, for medical costs, childcare, transportation, education or similar items

If a hardship is granted, the work requirement will be suspended no minimum income assigned. If a hardship is granted, the work requirement will be reassessed on the **earlier of** the next scheduled biennial recertification or 12 months from the date the hardship was granted.

If the family disagrees with the denial of a hardship request, the family is entitled to and may request an informal hearing. The PHA will keep records of all hardship requests received and the results of those requests.

<b>Impact Analysis AR181 &amp; AR097</b> <b>Activity 1.p and 1.q - Imputed Income</b> <b>Activity 12.a and 12.b – Work Requirements</b> <b>Implementation Year (FY2022)</b>			
		HCV	PH
1.	Impact on the agency's finances	This activity is expected to reduce HAP by approximately \$26,405 monthly and \$316,860 annually.	This activity is expected to reduce operating subsidy by \$13,252 and \$159,024 annually
2.	Impact on affordability of housing costs for affected families	Approximately 101 families may be subject to work requirements who are earning less than \$17,160 (\$11 minimum wage x 30 hours). The average increase in Total Tenant Payment is \$251 per month.	Approximately 42 families may be subject to work requirements who are earning less than \$17,160 (\$11 minimum wage x 30 hours), the average increase in Total Tenant Payment is \$316 per month.
3.	Impact on the agency's waitlist(s)	No impact expected	No impact expected
4.	Impact on the agency's termination rate of families	No impact expected	No impact expected.
5.	Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program	None The current utilization rate for vouchers is 88% leased and 97% HAP expended.	None The current occupancy level is 90%
6.	Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency and/or housing choice	This activity meets the statutory goals of self-sufficiency and cost effectiveness.	This activity meets the statutory goals of self-sufficiency and cost effectiveness.
7.	Impact on the agency's ability to meet MTW statutory requirements	This activity will encourage employment and self-sufficiency	This activity will encourage employment and self-sufficiency.
8.	Impact on the rate of hardship requests and the number granted and denied as a result of this activity	This is the initial year of this activity an no hardship requests have been received. The FHA expects to receive no more than 5% of affected HCV families to request a hardship.	This is the initial year of this activity an no hardship requests have been received. The FHA expects to receive no more than 5% of PH families to request a hardship.
9.	Impact on protected classes (and any disparate impact)	This is the initial year of this activity so there is no disparate impact on protected classes at this time.	This is the initial year of this activity so there is no disparate impact on protected classes at this time.

**AR181 and AR097 Fayetteville Housing Authority  
Hardship Policy - MTW Waiver 1.t and 1.u Standard Deductions**

The family must request a hardship. The family will qualify for a hardship if based on the standard deduction policy, the total family share is over 40% of their monthly adjusted income. To qualify for a hardship, the household must:

- a) Be an elderly/disabled household with eligible medical expenses; and/or
- b) Have a disabled member in the home with eligible disability expenses; and/or
- c) Have one or more children under the age of 13 and have out of pocket child-care expenses.

The family will qualify for a hardship once every two years unless the PHA determines there are extenuating circumstances.

If the family qualifies for a hardship, the total family share will be reduced to no more than 30% of their monthly adjusted income for a period of 90 days.

Families will be granted a hardship if they are experiencing a rent burden (paying over 40% of their monthly adjusted income) due to one of the following situations:

1. The family has experienced a decrease in income because of changed circumstances including loss or reduction of employment, death in the family or reduction in or loss of earnings or other assistance.
2. The family has experienced an increase in expenses, because of changed circumstances, for medical costs, childcare, transportation, education or similar items

The family's income will be reassessed on **the earlier of** the next scheduled biennial recertification or within 6 months from the date the hardship was approved. The hardship may be extended if needed as a reasonable accommodation, for up to 12 months.

If the family disagrees with the denial of a hardship request, the family is entitled to and may request an informal hearing. The PHA will keep records of all hardship requests received and the results of those requests.

<b>Impact Analysis AR181 and AR097</b>			
<b>Activity 1.t and 1.u – Standard Deductions Implementation Year (FY2022)</b>			
		<b>HCV</b>	<b>PH</b>
1.	Impact on the agency's finances	This activity is expected to reduce HAP by approximately \$6,816 annually and reduce administrative costs.	This activity is expected to increase operating subsidy by \$27,300 but reduce administrative costs.
2.	Impact on affordability of housing costs for affected families	There is an average expected increase of \$1.00 in Total Tenant Payment per month for HCV families.	There is an average expected decrease of \$13.00 in Total Tenant Payment/Tenant rent per month.
3.	Impact on the agency's waitlist(s)	No impact expected	No impact expected
4.	Impact on the agency's termination rate of families	No impact expected	No impact expected.
5.	Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program	The current utilization rate is 96.6% of ABA spent and 97.2% of vouchers leased. The FHA expects the utilization to remain the same.	The current occupancy level is 90%. The FHA expects the utilization to remain the same.
6.	Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency and/or housing choice	This activity meets the statutory goal of cost effectiveness.	This activity meets the statutory goal of cost effectiveness.
7.	Impact on the agency's ability to meet MTW statutory requirements	This activity will increase the FHA's ability to save HAP dollars and reduce administrative errors.	This activity will reduce administrative errors.
8.	Impact on the rate of hardship requests and the number granted and denied as a result of this activity	This is the initial year of this activity and no hardship requests have been received. The FHA expects to receive no more than 12 or 2% of HCV families to request a hardship.	This is the initial year of this activity and no hardship requests have been received. The FHA expects to receive no more than 4 or 2% of PH families to request a hardship.
9.	Impact on protected classes (and any disparate impact)	This is the initial year of this activity so there is no disparate impact on protected classes at this time.	This is the initial year of this activity so there is no disparate impact on protected classes at this time.

**AR181 Impact Analysis****Activity 2.b Payment Standards – Fair Market Rents (HCV)**

		<b>Implementation Year (FY2022)</b>
		<b>HCV</b>
1.	Impact on the agency's finances	This activity is expected to increase HAP costs by up to \$11,963 per month.
2.	Impact on affordability of housing costs for affected families	This activity will reduce the rent burden for approximately 123 families and alleviate the rent burden for 95 families.
3.	Impact on the agency's waitlist(s)	This activity should increase success rate and have a positive impact on families getting leased from the waiting list
4.	Impact on the agency's termination rate of families	This activity should decrease the termination rate by alleviating rent burden for 95 families. The current termination rate is 14.7%.
5.	Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program	The utilization rate may decrease due to the higher payment standard and increased HAP costs. The current utilization rate for vouchers is 88% leased and 97% HAP expended.
6.	Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency and/or housing choice	This activity meets the statutory goals of increasing housing choice.
7.	Impact on the agency's ability to meet MTW statutory requirements	This activity will increase the PHA's ability to lease up new families by reducing the initial rent burden at lease-up.
8.	Impact on the rate of hardship requests and the number granted and denied as a result of this activity	This is the initial year of implementation. The FHA expects a hardship rate of 1%.
9.	Impact on protected classes (and any disparate impact)	This activity should have no disparate impact on protected classes.

**Fayetteville Housing Authority AR181 and AR097**

**Hardship Policy - Activity 3.a and 3.b Alternative reexamination Schedule for Households**

The family must request a hardship if they request more than one interim recertification within a calendar year (Jan – Dec) period. Family's will be granted an additional interim recertification within a calendar year if their income goes down 10% or more due to one or more of the following reasons:

1. The family has experienced a decrease in income because of changed circumstances including loss or reduction of employment, death in the family or reduction in or loss of earnings or other assistance.
2. The family has experienced an increase in expenses, because of changed circumstances, for medical costs, childcare, transportation, education or similar items

Additionally, if there is a change of family composition, the family must request a hardship if an interim was already processed within the calendar year. If a hardship is granted, the family's income will be redetermined on **the earlier of** the next scheduled biennial or triennial recertification or 12 months from the date of the change. If as a result of the interim request the total household income is zero, the family will be required to have their income redetermined on **the earlier of** their next scheduled recertification or within 12 months from the date the hardship was approved.

If the family disagrees with the denial of a hardship request, the family is entitled to and may request an informal hearing. The PHA will keep records of all hardship requests received and the results of those requests.

**Impact Analysis AR181 and AR097**

**Activity 3.a and 3.b Alternative Reexamination Schedule (PH & HCV)**

		<b>Implementation Year (FY2022)</b>	
		<b>HCV</b>	<b>PH</b>
1.	Impact on the agency's finances	This activity is expected to reduce administrative costs due to fewer required annual and interim recertifications, but HAP costs may remain stagnant as family is not required to report increases in income annually. In FY2021, the FHA processed approximately 423 annual recertifications and 262 interim certifications. The annual recertifications are expected to decrease to approximately 284 per year. Interims should decrease by 50% to 131 each year.	This activity is expected to reduce administrative costs due to fewer required annual and interim recertifications but may increase operating costs as tenant revenue may remain stagnant as families are not required to report increases in income annually. In FY2021, the FHA processed approximately 177 annual recertifications and 17 interim certifications. The annual recertifications are expected to decrease to approximately 89 per year. Interims should decrease by 50% to 9 each year.
2.	Impact on affordability of housing costs for affected families	None	None
3.	Impact on the agency's waitlist(s)	None	None
4.	Impact on the agency's termination rate of families	None The current termination rate is 14.7%.	None The current termination rate is 10%.
5.	Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program	None The current utilization rate for vouchers is 88% leased and 97% HAP expended.	None The current occupancy level is 90%
6.	Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency and/or housing choice	This activity meets the statutory goals of self-sufficiency and cost effectiveness.	This activity meets the statutory goals of self-sufficiency and cost effectiveness.
7.	Impact on the agency's ability to meet MTW statutory requirements	This activity will increase the PHA's ability to encourage self-sufficiency as families may earn additional income that does not have to be reported right away. Additionally, administrative costs will decrease since less reexams will be required to be processed annually.	This activity will increase the PHA's ability to encourage self-sufficiency as families may earn additional income that does not have to be reported right away. Additionally, administrative costs will decrease since less reexams will be required to be processed annually.

8.	Impact on the rate of hardship requests and the number granted and denied as a result of this activity	This is the initial year of implementation. The FHA expects a hardship rate of 5%.	This is the initial year of implementation. The FHA expects a hardship rate of 1%.
9.	Impact on protected classes (and any disparate impact)	This activity should have no disparate impact on protected classes.	This activity should have no disparate impact on protected classes.